

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

Case No. 19-45385

DIGITAL COMMUNICATION
SOLUTIONS, LLC,

Chapter 11

Judge Thomas J. Tucker

Debtor.

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ORDER REQUIRING DEBTOR TO AMEND DISCLOSURE STATEMENT

On August 7, 2019, the Debtor filed a plan and disclosure statement, in a document entitled “Combined Plan of Reorganization and Disclosure Statement of Digital Communication Solutions, LLC” (Docket # 60). The Court cannot yet grant preliminary approval of the disclosure statement contained within this document (the “Disclosure Statement”). The Court notes the following problems, which the Debtor must correct.

First, in section 2.2 of the Plan on pages 10-11, the Debtor treats “all Allowed Claims, if any, that are entitled to Priority under § 507(a)(4) of the Code” in Group II. And the Debtor states that “[t]he Debtor estimates having \$24,779.80 in Allowed Claims that are entitled to Priority under § 507(a)(4).” Any priority claims of the type described in Group II must be classified, and treated under Article III of the Plan with the other classes. This is because 11 U.S.C. § 1123(a)(1) requires classification of all priority claims except those of a kind specified in 11 U.S.C. §§ 507(a)(2), 507(a)(3), and 507(a)(8).

Second, with regard to the Class I secured claim of Paragon Financial Group, Inc. (“Paragon”), discussed on pages 12-13 of the Plan, the Plan is unclear as to (1) exactly what collateral secures Paragon’s secured claim; (2) exactly how and when Paragon’s secured claim will be paid. The Debtor must state these things in more detail, and more clearly and explicitly.

Third, with regard to Classes IV, V, and VI, discussed at pages 13-15 of the Plan, the Debtor must state the amount of each of the unsecured deficiency claims.

Fourth, in discussing Classes IX and X at pages 15-16 of the Plan, the Debtor must state the nature of the claims of Atlas Acquisitions LLC (“Atlas”) and Platinum Rapid Funding Group, Inc. (“Platinum”); and the Debtor must state what collateral these creditors allege secure their claims; and what is the value of such alleged collateral.

Fifth, in section 3.10 of the Plan on page 16, which treats the Class X claim of Platinum, the Debtor states, in relevant part: “**Atlas** filed a U.C.C. Financing Statement with the Nevada Office of the Secretary of State.” (Emphasis added). The Debtor must correct this apparent typographical error, by changing “Atlas” to “Platinum.”

Sixth, on Exhibit D to the Disclosure Statement, several pages of the bank statement for April 1, 2019 through April 30, 2019 are illegible. The Debtor must correct this.

Accordingly,

IT IS ORDERED that no later than **August 16, 2019**, the Debtor must file an amended combined plan and disclosure statement that is consistent with this Order.

IT IS FURTHER ORDERED that no later than **August 16, 2019**, the Debtor also must file a redlined version of the amended combined plan and disclosure statement, showing the changes the Debtor has made to the “Combined Plan of Reorganization and Disclosure Statement of Digital Communication Solutions, LLC.”

Signed on August 13, 2019



/s/ **Thomas J. Tucker**

Thomas J. Tucker
United States Bankruptcy Judge